



INIX Technologies Holdings Berhad

(665797-D)

(Incorporated in Malaysia)

Unaudited interim financial report

for the quarter ended 31 January 2020



Condensed consolidated income statement for the three-month and eighteen-month periods ended 31 January 2020

	Note	Current Quarter Three months ended		Year-to-date	
		31 Jan 2020 unaudited RM'000	31 Jan 2019 unaudited RM'000	18 mths ended 31 Jan 2020 unaudited RM'000	12 mths ended 31 Jul 2018 audited RM'000
Revenue	A9	1,617	1,302	8,049	9,448
Cost of sales		(1,467)	(1,007)	(6,457)	(5,953)
Gross profit		150	295	1,592	3,495
Other income		576	625	1,912	731
Selling and marketing expenses		-	(5)	(16)	(6)
Administrative expenses		(1,292)	(792)	(6,597)	(13,500)
Research and development expenses		-	-	(250)	-
Share of associates profit/(loss)		3,467	(211)	-	(6,897)
(Loss)/profit before tax		2,901	(88)	(3,359)	(16,177)
Taxation	B5	-	-	-	(1)
(Loss)/profit for the period		2,901	(88)	(3,359)	(16,178)
Owners of the company		3,056	4	(2,738)	(15,330)
Non-controlling interest		(155)	(92)	(621)	(848)
(Loss)/profit for the period		2,901	(88)	(3,359)	(16,178)
(Loss)/profit per share attributable to ordinary equity holders of the Company (sen)					
Basic	B13	1.02	0.00	(0.92)	(5.92)
Diluted	B13	1.02	0.00	(0.92)	(5.92)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.

The Group has changed the financial year end from 31 July 2019 to 31 January 2020. There were no comparative financial information available for the eighteen months ended 31 January 2019.



Condensed consolidated balance sheet as at 31 January 2020

	<i>Note</i>	<i>As at 31 Jan 2020 unaudited RM'000</i>	<i>As at 31 Jul 2018 audited RM'000</i>
ASSETS			
Non-Current Assets			
Intangible assets		-	2
Property, plant and equipment		1,416	1,538
Investment in associates		-	3,467
Other investment		7,700	7,700
		9,116	12,707
Current Assets			
Amount due from associates		-	53
Trade receivables		600	1,910
Other receivables, deposits and prepayments		5,181	526
Amount due by directors		9	-
Cash and bank balances		1,163	671
		6,953	3,160
TOTAL ASSETS		16,069	15,867
EQUITY AND LIABILITIES			
Attributable to Equity Holders of the Company			
Share capital		42,274	38,997
Share premium		-	-
Warrant reserve		12,309	12,309
Other reserve		(12,309)	(12,309)
Share option reserve	A7	-	-
Accumulated losses		(18,806)	(16,068)
		23,468	22,929
Non-controlling interest		(9,824)	(10,053)
Current liabilities			
Trade payables		25	25
Other payables and accruals		2,252	1,615
Amount due to directors		147	1,350
Provision for taxation		1	1
		2,425	2,991
TOTAL EQUITY AND LIABILITIES		16,069	15,867
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.0787	0.0885

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



Condensed consolidated statement of changes in equity for the eighteen-month period ended 31 January 2020

	Attributable to equity holders of the Company					Non-Controlling interest	Total Equity
	Share capital	Share premium	SIS Option reserve	Accumulated losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 August 2017 (audited)	37,903	-	459	(738)	37,624	(9,204)	28,420
Share options exercised	599	-	-	-	599	-	599
Share-based payment transaction	-	-	36	-	36	-	36
Equity-settled share option arrangements	495	-	(495)	-	-	-	-
Loss for the period	-	-	-	(15,330)	(15,330)	(849)	(16,179)
At 31 July 2018 (audited)	38,997	-	-	(16,068)	22,929	(10,053)	12,876
At 1 August 2018 (audited)	38,997	-	-	(16,068)	22,929	(10,053)	12,876
Issuance of Shares under ESOS	1,800	-	-	-	1,800	-	1,800
Issuance of Shares under Private Placement	1,477	-	-	-	1,477	-	1,477
Change in Stake	-	-	-	-	-	850	850
Loss for the period	-	-	-	(2,738)	(2,738)	(621)	(3,359)
At 31 January 2020 (unaudited)	42,274	-	-	(18,806)	23,468	(9,824)	13,644

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



Condensed consolidated cashflow statement for the Eighteen month period ended 31 January 2020

	<i>Eighteen months ended</i> 31 January 2020 <i>unaudited</i> RM'000	31 July 2018 <i>audited</i> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,359)	(16,177)
<i>Adjustments:</i>		
Amortisation of intangible assets	2	274
Depreciation of property, plant and equipment	289	365
Impairment gain on:		
- Trade Creditors	-	-
Dividend income	(1,075)	(700)
Equity-settled share-based payment expenses	600	36
Gain on disposal of subsidiary	-	-
Impairment loss on:		
- Trade receivables	-	2,528
- Other receivables	-	1,875
- Vessel	-	4,950
- Property, plant and equipment	-	-
- Amount due from holding co.	-	-
Interest income	(3)	(1)
Written off on:-		
- Property, plant and equipment	12	-
Reversal of impairment on trade receivable	-	(7)
Loss on Disposal of Associated Company - GMSB	467	-
Share of results of associates	-	6,897
Operating profit/(loss) before working capital changes	(3,067)	40
Increase in stock	-	-
Decrease/(Increase) in trade receivables	1,310	(1,481)
Decrease/(Increase) in other receivables, deposits and prepayments	(4,655)	(75)
Decrease/(Increase) in amount due from associates	53	-
Decrease/(Increase) in amount due by directors	(9)	-
Increase/(Decrease) in trade payables	-	-
Increase/(Decrease) in other payables and accruals	637	70
Increase/(decrease) in amount due to director	(1,203)	1,350
Increase/(decrease) in provision for taxation	-	-
Interest received	3	1
Net cash generated from/(used in) operating activities	(6,931)	(95)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment/acquisition of associate company	-	-
Additional investment/acquisition of subsidiary company	(886)	-
Acquisition of property, plant and equipment	(180)	(857)
Acquisition of intangible asset	-	-
Dividend received	1,075	700
Proceeds from disposal of subsidiary company	-	-
Proceeds from disposal of associated company	3,000	-
Net cash generated from/(used in) investing activities	3,009	(157)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	4,414	599
Net cash generated from/(used in) financing activities	4,414	599
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	492	347
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	671	324
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,163	671
<i>These comprise:-</i>		
Cash and bank balances	1,163	671
	1,163	671

The condensed consolidated cashflow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2018 and the accompanying explanatory notes attached to the interim financial statements.



Explanatory notes to the interim financial report For the Sixth quarter ended 31 January 2020

A Pursuant to FRS 134: Interim Financial Reporting

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 July 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 July 2018.

A2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 July 2018.

The Group has not early adopted any new or revised standards, amendments or IC Interpretations which are applicable to the Group that have been issued by the MASB but are not yet effective for the Group's current financial year ended 31 January 2020.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the acceptance of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 July 2016. In presenting its first MFRS financial statements, the Group will be required restate the financial position as at 1 August 2016 to amounts reflecting the application of MFRS Framework.

The change of the financial framework is not expected to have any significant impact of the financial position and performance of the Group and the Company.

A3 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 July 2018 was unqualified.

A4 Seasonal or cyclical factors

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current quarter and financial year-to-date under review.

A5 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

A6 Significant estimates and changes in estimates

There were no changes in estimates that have a material effect in the current quarter and financial year-to-date.

A7 Debt and equity securities

There was 13,557,000 shares issued under Private Placement during the quarter.



Explanatory notes to the interim financial report For the Sixth quarter ended 31 January 2020

A8 Dividends paid

No dividends were paid during the financial year-to-date.

A9 Segmental information

(a) Operating segments

	<i>Software & Books</i>	<i>Piling Works</i>	<i>Dredging</i>	<i>Corporate</i>	<i>Adjustments</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Eighteen months ended 31 January 2020 (unaudited)						
Revenue						
External customers	7,765	284	-	-	-	8,049
Inter-segment	-	-	-	-	-	-
Total revenue	7,765	284	-	-	-	8,049
Results						
Depreciation	(30)	(253)	-	(6)	-	(289)
Amortisation	(2)	-	-	-	-	(2)
Fixed Assets written off	(1)	-	-	(11)	-	(12)
Impairment loss on PPE	-	-	-	-	-	-
Segment profit/(loss)	(1,353)	(150)	(15)	(1,841)	-	(3,359)
Segment assets	3,103	1,510	15	13,215	(1,774)	16,069
Segment liabilities	18,485	157	5,560	797	(22,574)	2,425

	<i>Software & Books</i>	<i>Piling Works</i>	<i>Dredging</i>	<i>Corporate</i>	<i>Adjustments</i>	<i>Total</i>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Twelve months ended 31 July 2018 (audited)						
Revenue						
External customers	9,448	-	-	-	-	9,448
Inter-segment	-	-	-	-	-	-
Total revenue	9,448	-	-	-	-	9,448
Results						
Depreciation	(8)	-	(275)	(82)	-	(365)
Amortisation	(274)	-	-	-	-	(274)
Fixed Assets written off	-	-	-	-	-	-
Impairment loss on PPE	-	-	(4,950)	-	-	(4,950)
Segment profit/(loss)	(1,578)	-	(5,241)	(2,461)	(6,898)	(16,178)
Segment assets	3,525	-	40	20,556	(8,254)	15,867
Segment liabilities	17,553	-	5,571	3,963	(24,096)	2,991



Explanatory notes to the interim financial report For the Sixth quarter ended 31 January 2020

(b) Geographical information

	Non-current assets			Current asset	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Property, plant and equipment RM'000	Intangible assets RM'000	Trade receivables RM'000
Three months ended 31 January 2020					
Malaysia	1,617	2,901	1,416	-	600
Three months ended 31 January 2019					
Malaysia	1,302	(88)	1,581	-	1,071

A10 Carrying value of revalued assets

There has been no revaluation of property, plant and equipment during the financial year-to-date.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year-to-date.

A12 Capital commitments

As at the end of the current financial year-to-date, the Group has no material commitment in respect of property, plant and equipment.

A13 Changes in contingent liabilities and contingent assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 July 2018.

A14 Significant related party transactions

Significant transactions between related parties and the Group as at balance sheet date are as follows:

Revenue	Three months ended		Eighteen months ended	
	31-Jan-20 RM'000	31-Jan-19 RM'000	31-Jan-20 RM'000	31-Jul-18 RM'000
Supply, installation & maintenance of hardware and fees on software development in progress receivable from EDSSB	-	172	774	2,353

A15 Subsequent events

There were no material events subsequent to the end of the current quarter.



Explanatory notes to the interim financial report For the Sixth quarter ended 31 January 2020

B Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market

B1 Performance review

For the sixth quarter ended 31 January 2020, the group recorded revenue of RM1.617 million compared to RM1.302 million in the preceding year corresponding quarter. The group recorded a profit before taxation of RM2.901 million for the sixth quarter ended 31 January 2020 as compared to a loss before taxation of RM0.088 million in the preceding year corresponding quarter.

B2 Material change in profit/(loss) before tax

	<i>Current quarter ended 31 January 2020</i>	<i>Preceding quarter ended 31 October 2019</i>
	RM'000	RM'000
Revenue	1,617	1,156
(Loss)/Profit before taxation	2,901	(74)

The group recorded a profit before taxation of RM2.901 million for the sixth quarter ended 31 January 2020 as compared to a loss before taxation of RM0.074 million registered in the preceding quarter.

B3 Prospects

The Group expects stiff competition in the domestic and regional market in respect of the ICT segment. Nevertheless, the Group is leveraging on its strong track record and extensive customer networking in expanding and penetrating both existing and new markets. The Group also steps up its effort to invest in R&D expenses in order to enhance its competitiveness and productivity. In expansion of existing business, despite focusing on making ICT solutions.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was published.

B5 Taxation

For both the current quarter as well as financial year-to-date, tax is calculated on estimated assessable profits for the financial year.

B6 Quoted securities

There were no acquisitions or disposals of quoted securities during the current quarter and financial year-to-date.

B7 Unquoted securities

The company had acquired 55% of share of MRA Global Sdn Bhd on 24 October 2019. None of the directors, major shareholders or persons connected with the directors or major shareholders of the Company has any interest.

B8 Corporate proposals

A private placement of 27,114,000 new ordinary shares representing not more than 10% of the enlarged number of company shares in issue was announced on 21 August 2019.

The first tranche of the 13,557,000 at RM0.056 was allotted and issued on 25 October 2019.

The final tranche of the 13,557,000 at RM0.053 was allotted and issued on 05 December 2019.

B9 Borrowing and debt securities

There were no borrowings and debt securities outstanding and/or issued as at the end of the reporting period.



Explanatory notes to the interim financial report For the Sixth quarter ended 31 January 2020

B10 Off Balance sheet Financial instruments

There were no off balance sheet financial instruments as at the date of this report.

B11 Changes in Material Litigation

Neither the Company nor its subsidiary is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary.

B12 Dividend payable

No interim ordinary dividend has been declared for the financial period under review.

B13 Earnings per share

The basic/diluted earnings per share are computed based on the net profit attributable to ordinary shareholders and the weighted average/adjusted weighted average number of ordinary shares outstanding during the year as follows:

	<i>Three months ended</i>		<i>Eighteen ended</i>	
	<i>31 Jan 2020</i>	<i>31 Jan 2019</i>	<i>31 Jan 2020</i>	<i>31 July 2018</i>
Basic:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	3,056	4	(2,738)	(15,330)
Weighted average number of ordinary shares in issue ('000)	298,255	259,141	298,255	259,141
<i>Basic earnings/(loss) per ordinary share (sen)</i>	1.02	0.00	(0.92)	(5.92)
Diluted:				
Net profit/(loss) attributable to ordinary shareholders (RM'000)	3,056	4	(2,738)	(15,330)
Weighted average number of ordinary shares in issue ('000)	298,255	259,141	298,255	259,141
Number of shares issuable under ESOS ('000)	-	-	-	-
Number of shares that would have been issued at fair value ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	298,255	259,141	298,255	259,141
<i>Diluted earnings/(loss) per ordinary</i>	1.02	0.00	(0.92)	(5.92)

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 15th May 2020.